



Date of Meeting : 27th November 2018

Portfolio : Integrated Commissioning

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Public/Private Document : Public

Lead Member : Cllr Rowbotham

Lead Officer : Victoria Bradshaw

2019/20 – 2020/21 Savings Programme for the Integrated Health & Social Care Pooled Fund

Executive Summary

- 1.1 This report provides the Integrated Commissioning Board (ICB) with recommendations regarding Savings Proposals to contribute to closing the budget gap for the Integrated Health & Social Care Pooled Fund for 2019/20 & 2020/21.

Recommendation

- 2.1 It is recommended that ICB :-
- Approve the savings programme timetable initially discussed and revised at ICB in October 2018, and detailed at Appendix 1 to this report.
 - Consider the savings proposals incorporated in the report that forms part of the Private agenda and, if minded to accept the proposals, recommend them for implementation or consultation as appropriate as noted.

Reason for Recommendation

- 3.1 The Pooled Fund operates under Section 75 of the National Health Service 2006 Act and is mandated to set a balanced budget at the start of each financial year.
- 3.2 The last report taken to ICB on 30th October confirmed budget gaps for The Pooled Fund of :-
- £12.3m in 2019/20 and
 - £12.7m in 2020/21

Key Points for Consideration

- 4.1 It should be noted whilst this is a best estimate of the budget gap at this time until the Clinical Commissioning Group (CCG) receives its allocations, national planning guidance and concludes its contract negotiations the final gap will not be known. It is therefore essential that work commences as soon as possible to implement all schemes that are approved.
- 4.2 All savings schemes / proposals have been reviewed by a working group including representatives from the Commissioning, Finance, HR, Legal and Equality teams and have been broken down into 3 distinct groups :-
- **Contract Negotiation** – schemes will be delivered through the Contract Negotiation process undertaken within the Health sector, with no specific need for public consultation
 - **Business as Usual** – schemes will be delivered by Council services or the CCG as part of their business as usual processes, with no specific need for public consultation. These are included for information only.
 - **Consultation** – schemes are subject to a period of public consultation with stakeholders as the proposal will either cease in totality the provision of a service or significantly change it
- 4.3 The savings schemes / proposals that are being considered in this report reflect the first of 2 initial rounds of proposals. The proposals that form part of Round 2 will be brought to ICB on 29th January 2019.

- 4.4 The table below summarises the impact on the budget gap of the proposals being considered :-

The impact of Round 1 Savings Proposals on the Integrated Health & Social Care Pooled Fund	No of Proposals	2019/20		2020/21	
		Ongoing	One-off	Ongoing	One-off
		£'000	£'000	£'000	£'000
"Contract Negotiation" Proposals	4	1,378		450	
"Business as Usual" Proposals	17	3,645	-30	1,233	-35
Proposals subject to "Consultation"	1	259			
Total	22	5,282	-30	1,683	-35

- 4.5 Details of all the savings scheme proposals can be found in the private part of the agenda.
- 4.6 Consultation for those savings scheme proposals that require consultation will commence on 3rd December 2018. Consultation will finish on 16th January 2019 and the outcome of consultation will be presented to ICB at its meeting on 29th January 2019.
- 4.7 The full timetable for the 2019/20 – 2020/21 Savings Programme can be found at Appendix 1.

Alternatives Considered

- 4.8 Para 3.1 notes that the Integrated Health & Social Care Pooled Fund is mandated to set a balanced budget and all areas of the Pooled Fund will therefore be reviewed in the search for opportunities to close the budget gap.

- 4.9 ICB could decide not to implement some / all of these proposals and provide alternative options to enable a balanced budget to be achieved.

Costs and Budget Summary

- 5.1 Paragraph 3.2 confirms that the current budget gaps for 2019/20 & 2020/21 are £12.3m and £12.7m respectively.
- 5.2 Paragraph 4.4 confirms that Round 1 proposals, if approved, could reduce the Pooled Fund gaps in 2019/20 & 2020/21 by £5.25m and £6.93m respectively.
- 5.3 Paragraph 4.3 confirms that a second round of savings scheme proposals will be brought to ICB in January aimed at closing the remaining budget gaps.

Risk and Policy Implications

- 6.1 Section 75 of the National Health Service 2006 Act gives powers to local authorities and health bodies to establish pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed LA functions and prescribed NHS functions.
- 6.2 Risk implications have been added where applicable within individual detailed reports. To manage this risk ICB will be supplied with copies of all available implications to make informed decisions.
- 6.3 Where relevant, specific legal issues have been identified in the individual savings proposal reports. Legal advice has also been provided in relation to the Equality Act duties, and recent case law decisions on both requirements for an open and transparent consultation process and the inclusion of equality impact assessments.
- 6.4 Advice has been provided on the following:
- The need to ensure that service reductions do not constitute a failure on the part of the Council and the CCG to fulfill statutory duties.
 - The need to be aware of contractual arrangements with third parties which can only be varied by agreement or which (if that does not prove possible) can only be terminated by substantial notice periods and consider the financial implications of any variations.
 - The need to be aware of restrictions which affect property assets. Some have restrictions on usage, some have conditions attached to gifts and planning restrictions might apply. On this last aspect, there needs to be separation of the Council's statutory role from that of property owner.
 - Some proposals may ultimately involve the transfer of staff with the resultant need to undertake statutory consultations.
 - Some proposals will involve potential redundancy. This will involve statutory consultations.
 - Advice on contractual, procurement law matters (including staff related

matters).

6.5 The personnel implications arising for the proposals contained within this report summarised below:

- Some of these proposals may result in a reduction in the number of established posts within the Council and depending on the outcome of consultation and final decisions made these will be deleted as a consequence of these proposals. However at this current time the proposals that include deletions of posts are not envisaged to place anyone at risk of redundancy as they are vacant posts to be deleted.
- If after the review of the proposals, occupied posts are identified as potentially redundant and which employees will be at risk of redundancy, the Council and the CCG will apply its established policies and procedures. This would include the application of the Council or CCG's redundancy process as applicable.
- Where posts proposed to be deleted are occupied the employee(s) concerned would become at risk of redundancy.
- If this arises any employees affected will be provided with support through the Council's and the CCG's established procedures for dealing with staff that are at risk of redundancy.
- Through the application of these policies and procedures, the Council and the CCG would seek to minimise the number of employees who may be compulsory redundant. In this respect, the Council and the CCG would seek to provide suitable alternative employment wherever this is possible and will seek to achieve reductions by voluntary measures wherever possible, by seeking volunteers for early retirement/voluntary redundancy.
- The proposals will be subject to full consultation with staff and trade unions in line with statutory requirements. It is considered that the total number of jobs affected during the budget setting process is likely to be below 100. However, to ensure sufficient consultation takes place the Council is preparing to comply with the statutory minimum consultation period of 30 days (which is required where there is to be 100 or less redundancies) before making final decisions on its proposals. In addition, the Council will also ensure that the consultation process is meaningful and commences when potential redundancies are contemplated, that full consideration is given to the outcome and any comments received before final decisions are made regarding implementation, which are also legal requirements.
- The outcome of consultations will be reported to ICB to allow for full consideration of feedback and final decisions will be made on the proposals taking into account the outcome of consultation.

Equalities Impacts

Workforce Equality Impact Assessment

6.6 A workforce impact assessment will be undertaken to understand how the overall proposals affect the make-up of the workforce.

6.7 The Council undertook a workforce EIA for the savings process on general

services in previous years. The same analysis will be undertaken for the cohort of staff affected by these saving proposals in 2019/20 and 2020/21. A full equalities impact assessment will be undertaken following the implementation of the savings proposals, at which point we may need to revisit our equalities action plan or other policies.

Consultation

7.1 This report has been produced in consultation with colleagues from both the Council and CCG. The Health, Schools and Care Overview and Scrutiny Committee on the 28th November 2018 will be consulted with on the saving proposals.

Background Papers	Place of Inspection
8. There are no background papers	
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Appendix 1 – Integrated Health & Social Care Pooled Fund 2019/20 - 2020/21 Savings Programme – Timetable

ICB Pooled Fund Saving Programme Timeline

Date	Meeting/Event	Purpose
2018		
November	Process	<ol style="list-style-type: none"> 1. 2nd November Deadline for written saving proposals 2. W/C 5th November Working Group (HR/Legal/Finance/Equalities/Assets) 3. 12th November Finance, Performance & Risk Group 4. 14th November papers to Integrated Commissioning Board 5. 27th November Integrated Commissioning Board 6. 29th November Health, Schools and care Overview and Scrutiny Committee
December	Consultation Round 1	1. 3rd December start of formal consultation
2019		
January	Post Consultation Round 1 Process and Report	<ol style="list-style-type: none"> 1. 16th January Consultation ends 2. 17th January Final submission of Post Consultation Reports 3. 18th January Savings Working Group (HR/Legal/Finance/Equalities/Assets) 4. 18th January Finance, Performance & Risk Group 5. 18th January papers to Integrated Commissioning Board 6. 29th January Integrated Commissioning Board (outcome of consultation) 7. 30th January Health, Schools and Care Overview and Scrutiny Committee
	Round 2 Consultation	<ol style="list-style-type: none"> 1. 7th January Deadline for written savings proposals 2. 14th January Savings Working Group (HR/Legal/Finance/Equalities/Assets) 3. 15th January Finance, Performance & Risk Group 3. 16th January papers to Integrated Commissioning Board 4. 29th January Integrated Commissioning Board 5. 30th January Health, Schools and care Overview and Scrutiny Committee 6. 31st January formal consultation starts on round 2 proposals
March	Post Consultation Round 2 Process and Report	<ol style="list-style-type: none"> 1. 1st March Consultation ends 2. 6th March final submission of post consultation reports 3. 7th March Savings Working Group (HR, Legal, Finance) 4. 8th March Finance, Performance & Risk Group 5. 11th March papers to Integrated Commissioning Board 6. 19th March Integrated Commissioning Board (post consultation round 2) 7. TBC Health, Schools and Care Overview and Scrutiny Committee